



CHESHIRE IRELAND
RETIREMENT SAVINGS & LIFE INSURANCE SCHEME

MEMBER'S BOOKLET MAY 2011

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This booklet is an important document.

It answers questions about benefits

from your Pension Scheme.

We suggest you read it and then

keep it in a safe place

where you can refer to it.

Cheshire Ireland Retirement Savings
& Life Insurance Scheme
Member's booklet
Introduction

Welcome to the Cheshire Ireland Retirement Savings & Life Insurance Scheme (the 'Scheme'). The Scheme is a defined contribution scheme.

As a member of the Scheme you will be entitled to

- Use the value of your Retirement Savings Account to secure a pension on retirement
- The option to take a tax free lump sum on retirement
- The option to purchase a dependant's pension on death after retirement
- Lump sum on death in service.

The opportunity also exists to pay additional voluntary contributions (AVCs) to provide for higher retirement benefits.

The retirement and death benefits provided by the Scheme at age 65 are in addition to those provided by the State.

This booklet explains in simple terms the basic features of the Scheme. However, it is only a guide and the formal Trust Deed and Rules which govern the Scheme will always prevail in the event that there is any question of interpretation or that complex or special situations arise. The Trust Deed and Rules may be inspected by arrangement with the Trustees whose names are listed on page 28.

In addition to this booklet an Investment Guide is also available for members which describes the features of the investment aspects and decisions.

Although Cheshire Ireland intends to continue the Scheme indefinitely the organisation must, as a matter of ordinary business prudence, reserve the right to amend or terminate it at any time. Such action would not, however, affect any part of your benefits already secured at the effective date of the amendment or termination.

Cheshire Ireland Retirement Savings
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Definitions

Cheshire Ireland	Cheshire Foundation in Ireland.
Commencement Date	1 July 1999.
Fund	The total of contributions and investments held under the Trust by the Scheme Trustees on behalf of all Cheshire members.
Normal Pension Date	Your retirement date will be your 65 th birth date.
Salary	<p>New entrants to the Scheme after 1 May 2011: Your basic annual salary from Cheshire Ireland, excluding all payments for additional hours worked, premia and allowance payments, calculated as at the prior 1st January, or later date of joining the Scheme.</p> <p>For all other members: Your total earnings from Cheshire Ireland (i.e. your gross PAYE earnings including premia and allowance payments)</p>
Retirement Savings Account	<p>That part of the Cheshire Ireland Fund determined by the Trustees to be equal to your interest in the fund, which shall be calculated having regard to</p> <ul style="list-style-type: none">(i) the annual contributions made to the Scheme by you and by Cheshire Ireland on your behalf(ii) the amount of any transfer received by the Trustees on your behalf from another pension scheme(iii) the investment return(iv) any costs, charges or expenses which may have to be deducted in connection with the Scheme.
AVCs	AVCs are Additional Voluntary Contributions paid by you over and above any employer contribution.
State Retirement Pension	The annual rate of the State retirement pension payable to a single person from time to time from age 65.
Beneficiaries	Dependants together with any other relatives either by blood or marriage.

Dependants	(a) your spouse (b) your children under 18 or 21 who are in full-time education or apprenticeship or who are mentally or physically disabled (c) any person who is financially dependent upon you.
Qualifying Service	Period of membership as a Member of the Scheme for pension contributions and of any other pension scheme from which benefits have been transferred to the Scheme.
Pension Board Registration Number	PB 125570
Revenue Reference Number	SF 18415

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Membership

Must I join the Scheme?

Membership of the Scheme is voluntary for those who entered employment after 1 May 2011. Participation in the Scheme is strongly recommended by Cheshire Ireland and the Trustees of the Scheme.

Employees who do not wish to join the Scheme must complete a Declination / Opt-out Form, available at the back of this Booklet in Appendix V.

Am I eligible for membership?

You are eligible to join

1. if you have a Cheshire employment contract, have 6 months' Cheshire Ireland employment and have successfully completed any probationary employment, and
2. if you are not employed as a relief or casual worker, or employed under a FAS Community Employment Scheme, and
3. if you are over age 18 and under 65 years.

Eligibility to the Scheme is determined by service length and not contract type. The following is an easy point of reference guide to eligibility.

Employment Contract Type	Definition	Eligibility Criteria
Permanent Full/Part-time Contract	<ul style="list-style-type: none"> ● A contract of an indefinite duration ● Standard probationary period is 6 months 	<ul style="list-style-type: none"> ● Eligible to join the pension Scheme after 6 months employment and having passed the standard probationary period
Fixed-Term Full/Part-time Contract	<ul style="list-style-type: none"> ● A contract that has a defined start and end date 	<ul style="list-style-type: none"> ● Eligible to join the pension Scheme once the contract is longer than 6 months in duration
Specific Purpose Full/Part-time Contract	<ul style="list-style-type: none"> ● A contract that is awarded to cover a specified piece of work until completion 	<ul style="list-style-type: none"> ● Eligible to join the pension Scheme once the contract is longer than 6 months in duration

When do I join the Scheme?

You automatically become a member on the date on which you satisfy the eligibility conditions, usually after the successful completion of your probationary employment period.

At this date contributions will commence and be invested in line with your selected investment choice as detailed on your completed Membership Application Form completed on joining employment.

Any probationary employee, who satisfies conditions 1, 2 and 3 above, will automatically be provided with the death in service benefits from the date of entry into employment.

No pension benefits under the Scheme are available until the eligibility conditions are met and you are a full member of the Scheme.

What must I do to join?

On joining employment and prior to completing your probationary period you must complete a Membership Application Form, which can be found in Appendix I. Please also complete an Expression of Wishes Form. These should be then given to the local Cheshire Service Manager for forwarding to the Payroll Manager to establish your membership.

Note: If you do not complete the Membership Application Form and/or make a valid investment fund selection by the date of joining your contributions will be invested in the Consensus Fund (default).

Is evidence of good health required?

In most circumstances, no. In the case of the lump sum death in service benefit the Insurer has medical and attendance at work requirements which need to be satisfied. You will be notified of any requirements or restrictions imposed by the insurance company in your case. The death in service benefits are only provided on the basis that they are capable of insurance at ordinary rates of premium and without restriction or loading, and you join at the first opportunity.

Is proof of age/marital status required?

Yes. No pension or death benefit will be paid until satisfactory evidence of age has been produced.

What happens if I decide to decline membership of the Scheme?

If you do not join the Scheme, having declined, then no pension benefit is provided. In this event there will be no Cheshire Ireland contribution to any provider. However you must complete the Declination/Opt-out Form in Appendix V at the back of the Booklet.

Please note that the death in service benefit will be provided for your dependents.

What happens if I join and later wish to opt-out of the Scheme?

If you join the Scheme, and later opt-out, then no further pension benefit is provided, other than may already have been provided. In this event the Cheshire Ireland contribution ceases and will not be payable to any other provider. However you must complete the Declination/Opt-out Form in Appendix V at the back of the Booklet.

Please note that the death in service benefit will continue to be provided for your dependents.

Having initially declined membership may I join at a later date?

Yes. Cheshire Ireland will allow you to join the Scheme at any date later than the first opportunity, but it is your responsibility to pursue this option if you declined at the first opportunity. Contributions would not be backdated and commence only from the current date of joining.

If I entered the Scheme prior to 1 May 2011 may I opt-out of the Scheme?

Yes. You may opt-out of the Scheme at any time. In this event the Cheshire Ireland contribution ceases and will not be payable to any other provider. However you must complete the Declination/Opt-out Form in Appendix V at the back of the Booklet.

The Trustees recommend that you should take financial advice in the circumstances where you are considering opting out of the Scheme.

Please note that the death in service benefit will continue to be provided for your dependents.

What if I do not meet the membership eligibility criteria for the Scheme?

Cheshire Ireland operates a Standard Retirement Personal Savings Account (PRSA) for any employee who is not eligible for the main Scheme. Cheshire Ireland will deduct and remit employees contributions to the PRSA provider but will not contribute.

This facility is available to such employees of Cheshire Ireland with Irish Life as the designated provider.

May I take a transfer from a previous scheme?

Yes, provided the Rules of the previous scheme allow a transfer to occur and provided the Trustees of the Scheme agree to accept it. To initiate a transfer, contact the HR Manager in Cheshire Ireland who will assist you to obtain information on your options. You should of course firstly obtain independent financial advice about the transfer.

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Contributions

Do I contribute? Yes. You are required to contribute 5% of Salary per annum towards the cost of benefits provided by the Scheme.

What is Cheshire Ireland's contribution? Cheshire Ireland will contribute 7% of Salary per annum to match the member's 5% contribution.

This contribution covers all the costs associated with the death in service benefits and the Scheme's running costs.

May I pay Additional Voluntary Contributions? Yes. You may pay additional voluntary contributions (AVCs) to the Scheme to gain extra benefits. These will be invested to provide additional benefits and will be treated in the same manner as the main Scheme benefits.

What are the tax implications? Under existing legislation you will get full tax relief (at your marginal rate of income tax) on your 5% contributions and AVCs up to the percentage limit that corresponds to your age in the following table. PRSI relief is not available since 1 January 2011.

Age	% of total pay eligible for full tax relief at marginal income tax rate.
Up to 30 years	15%
30-39 years	20%
40-49 years	25%
50-54 years	30%
55-59 years	35%
60 years or over	40%

As contributions will be deducted directly from your Salary before tax and PRSI, these reliefs will be credited to you automatically through the payroll process.

On rare occasions it may be necessary to restrict your contributions to ensure that your total benefits remain within the limits specified by the Revenue Commissioners. The maximum salary limit is €115,000 pa.

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Investment

Where will my Retirement Savings Account be invested?

All contributions paid by you, and Cheshire Ireland, will be invested by the Trustees in your Retirement Savings Account.

You decide how to invest the money in your Retirement Savings Account. You can choose from a range of investment funds chosen carefully by the Trustees. You can choose to spread your investments across the range of these funds to suit your investment objectives. More details of the funds available are given later in this section.

An investment fund is a pool of money from investors like you. A professional investment manager uses the total amount to purchase individual investments such as shares, bonds or property. You use the contributions paid into your Retirement Savings Account to buy 'units' in one or more of these funds. The units in each fund have a value based on the assets held. This value changes from day to day according to market conditions, and may fall as well as rise.

The following funds are currently available to members of the Cheshire Ireland Scheme:

- Consensus Managed Fund
- Indexed Global Equity Fund
- Exempt Cash Fund
- Capital Protection Fund
- Fixed Interest Fund
- Diversified Balanced Fund.

The Secured Performance Fund is additionally used by many existing members but it is closed for new contributions.

These funds invest in a range of investments both in Ireland and overseas. They are suited to all members, **except those approaching retirement who may not wish to have their contributions invested actively.**

Who decides what investments are available?

It is the responsibility of the pension Scheme Trustees to establish a framework and strategy for the appropriate investment management of the Scheme contributions and assets.

At present, the framework involves provision to members of a range of funds from Irish Life Assurance plc's suite of investment funds, from which individual members select the funds to be used for their own contributions.

While the pension Scheme Trustees and Cheshire Ireland have taken great care in the selection of the various funds available, it must be remembered that they cannot accept responsibility for any under performance of any fund.

The Trustees intend to monitor returns on a regular basis.

The Trustees are pursuing the twin aims of excellent long term performance with a level of short term volatility. However, a consequence of an investment strategy which is geared towards the long term is the possibility of poor short term returns from time to time.

How do these funds work?

The Irish Life Consensus Fund and other funds work on unitised lines with unit prices being calculated on a regular basis based on the value of the underlying assets e.g. the investment manager will declare a unit price at the start of the month based on the market value of assets held. Your contributions will purchase units in the fund (or funds) of your choice at the offer price in the month following deduction from your salary. As the fund increases or decreases in value the units held by you will move accordingly.

When you leave the fund, by way of leaving Cheshire's employment or retirement, units are sold at the bid price.

How do I know which fund(s) to choose?

A brief summary of each fund is given in the following pages. In addition, you should regularly visit the Irish Life web site to access the latest information about your funds performance and asset structure. This can be found at:
www.IrishLife.ie/corporatebusiness/index.com.

All members will be afforded the opportunity to attend regional Cheshire Ireland / Irish Life presentations at which questions may be asked and further presentations will be held on a regular basis.

Do I get an annual statement?

Yes. You will automatically be advised of your Retirement Savings Account value on an annual basis by means of a personalised benefit statement. These benefit statements are circulated to members annually.

What costs arise? Investment charges occur in 2 forms

- on your monthly contribution. They are called the 'Bid / Offer' spread, and
- on the fund accumulated in your Retirement Savings Account. They are called the Annual Management Fee.

Investment management charges levied by Irish Life vary with the funds in use. In general the charges on the funds available to you are moderate and consistent with those available generally in the Irish market.

The following table outlines the current charges and costs. These costs are deducted before any return is declared.

Fund Charges	Investment Fund	Annual Fund Charges	New Contribution Charges
		Current Annual Management Fee	Current Bid / Offer Spread
	Consensus Managed Fund	0.65%	4.0%
	Indexed Global Equity Fund	0.65%	4.0%
	Secured Performance Fund	1.00%	4.0%
	Capital Protection Fund	1.00%	4.0%
	Fixed Interest Fund	0.75%	4.0%
	Diversified Balanced Fund	1.12%	4.0%
	Exempt Cash Fund	0.75%	4.0%

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Summary of funds

Consensus
Managed
Fund

The Consensus Managed Fund aims to provide investment returns that are in line with the average of the returns on managed funds run by 15 Irish investment managers.

This aim is pursued by allocating the assets across different markets in broadly the same percentages as the average holding of those 15 managers. Within each market, individual stocks or shares are chosen in a way that tracks the appropriate market index. Thus, the Consensus Fund offers a balanced fund investment that reduces the risk that the individual manager (in this case Irish Life) might under-perform his peer group average (active managed fund category).

As with other balanced funds, it has reasonably high equity content, but also includes investments in diverse asset classes such as bonds and property.

The Consensus Fund is suitable for use by most members, although older members who are nearing their planned retirement age and members who are averse to volatility in the value of the funds may wish to consider alternative funds.

Consensus Lifestyle
is the 'default' fund

The Consensus Fund has a 'Lifestyle' feature, which is available to members as an option, and it is the default where no fund choice is made. It is called the Individual Investment Service, but if used restricts your fund choice to that of Consensus alone.

The value of an individual member's assets invested in the Consensus Fund rises and falls in line with the underlying portfolio of assets. There is no 'smoothing' of investment returns and there are no guarantees of future values.

Secured
Performance
Fund

(Closed for new
contributions)

This fund is invested in a similar manner to the Consensus Fund but the underlying returns are 'smoothed' using a 5-year average. There is also a guarantee of no negative returns provided that units are being encashed for the purposes of paying out benefits to the member. These two factors lead to it being classified as a low risk fund.

The objective of the Secured Performance Fund is to eliminate both manager selection and market risk, while achieving average managed fund returns over the long term. Each year, a return is declared in advance based on the accumulated surplus or shortfall in the underlying assets and adjusted to reflect the expected return on the underlying consensus mix of assets.

Taking account of the smoothing mechanism applied within this fund, investment is restricted to regular contributions and Irish Life reserve the right to apply a market value adjustment to switching funds out other than on leaving employment, death or retirement.

Therefore this Fund is unsuitable for switching investments in and out.

The Secured Performance Fund has a 'Lifestyle' feature, which is available to members as an option. It is called the Individual Investment Service, but if used restricts your fund choice to that of Secured Performance Fund alone.

The Secured Performance Fund is regarded as a low risk fund in which significant volatility of investment values is not a feature. This makes this fund quite suitable for older members.

Exempt Cash Fund

The Exempt Cash Fund is a low risk fund that is invested entirely in deposits, short dated fixed interest securities and money market instruments. The potential return on this fund is very limited, but there are no entry or exit restrictions and there is no question of a market value adjustment being applied.

It is particularly suited for use in respect of funds that will be taken in cash form by members who are close to their intended retirement age. It should be noted however, that a cash fund is not considered a suitable long-term investment vehicle for members who are some distance from their intended retirement age.

Further, while it can be used as part of a tactical approach to investment, experience has shown that, because of the speed at which markets can move, attempting to 'time' markets is a very high risk strategy that can lead to reduced overall performance.

Indexed Global Equity Fund

One of the higher risk funds, the Indexed Global Equity Fund also eliminates the manager selection risk. The Indexed Global Equity Fund is suitable for members who want a higher exposure to equities than is available in a managed fund approach. It operates on the same principle as the Consensus Fund, but with the non-equity elements absent.

This fund may suit members with a reasonably long term to run to retirement who have or wish to have a significant level of investment risk, and volatility.

Fixed Interest Fund

This is a low risk fund suitable for members who are typically approaching retirement age. Although the capital values may vary up and down there is a closer correlation in annuity (pension) costs.

This fund invests entirely in government and corporate securities. These securities are effectively loans to governments and businesses. The return on these assets comes from a combination of the interest paid and any capital appreciation or depreciation on the value of the securities.

Diversified Balanced Fund

This fund is suitable for those looking for managed type returns with reduced levels of volatility. This is a medium to high risk fund with expected volatility in the medium to high range. Therefore it may not be suitable for investors who have less than 7 years to retirement.

The Diversified Balanced Fund aims to achieve managed fund type returns with less volatility. It combines traditional assets such as equities, bonds, cash and Irish Property with a mix of alternative assets which can include: Emerging Markets Equities, Forestry, Hedge Funds, Commodities and European Property.

Thus investors get exposure to both traditional equity managed markets on an indexed basis, as well as a wide variety of other assets classes, which are managed on an active basis.

Capital Protection Fund

This is a low risk fund suitable for members who are typically approaching retirement age. The Capital Protection Fund is an actively managed smoothed fund.

The fund aims to give investors the benefits of some equity participation while at the same time ensuring that the value of the fund will not fall. The majority of the fund is invested in cash deposits, bonds and equities. The declared minimum growth rate for 2011 is 1.4%. This rate is before management charges e.g. a 1.0% annual management will result in a minimum growth rate of 0.4%.

Retirement Benefits

At Normal Pension Date

On retiring at your Normal Pension Date (at age 65) you will receive the benefits that can be secured at that date based upon the value of your Retirement Savings Account.

Within the limits allowed by the Revenue Commissioners you may decide the pattern of your benefits to suit your personal circumstances at the time of your retirement. The options available will include

- the purchase of a personal pension for lifetime
- taking a tax-free lump sum (see **Tax free lump sum cash option** below)
- purchasing a spouse's or other Dependant's pension payable after your death
- purchasing increases on your pension
- purchasing protection against inflation
- increasing the guaranteed period of payment of pension
- using Approved Retirement Funds (ARFs) for draw-down purposes to supplement the options above etc.

Before Normal Pension Date

You may, but only with Cheshire Ireland's consent, retire early at any time on grounds of incapacity due to ill-health or injury. You may also, with Cheshire Ireland's consent, retire for any other reason after you have attained age 50.

The benefits available to you on the date on which you retire early will be those that can be secured at that date by the value of your Retirement Savings Account. The benefit options available to you are set out below in the following section.

After Normal Pension Date

You may, if Cheshire Ireland so decides, and you are so notified in writing, remain in employment after Normal Pension Date. In this event you may elect to receive your benefits at Normal Pension Date or at any time thereafter up until the date you actually retire. The benefits available to you on the date on which you retire or the date from which you chose to receive your benefits will be those that can be secured at that date by the value of your Retirement Savings Account. The benefit options available to you are set out below in the following section.

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Benefit options

Options at the point of retirement

How are my benefits determined? The amount of your benefits on retirement is entirely dependent upon the amount of funds available to you in your Retirement Savings Account. Of course your benefits may be separately and privately supplemented by pension from other sources and the State Retirement Pension.

However you will on retirement have the followings options available in order to best use your Retirement Savings Account, including

- the purchase of a personal pension for lifetime
- taking a tax-free lump sum (see **Tax free lump sum cash option** below)
- purchasing a spouse's or other Dependant's pension payable after your death
- purchasing increases on your pension
- purchasing protection against inflation
- increasing the guaranteed period of payment of pension
- using your fund in an ARF or AMRF environment.

Do I need to make any decisions now? No. You will get full details of your options when you near retirement. There are no decisions to be made regarding how you would like to receive your benefits until that time.

However, if you want to receive an illustration of your potential benefits you can contact the Cheshire Ireland Scheme Administrator at any time. You can also get illustrations to show the possible effect on your benefits of paying additional voluntary contributions

Tax free lump sum cash option

How much cash may I normally take? The amount of the tax free cash sum is subject to limits that are imposed by the Revenue Commissioners. The limits, which are inclusive of any AVCs being taken as tax free cash, vary with the circumstances of your retirement and your service with Cheshire Ireland and take account of any benefits from other sources.

In general it is reasonable to anticipate that you will be able to take a tax free cash sum of up to:

$$\frac{3}{80} \times \text{Salary at retirement} \times \text{Cheshire Ireland years of employment}$$

A higher amount may be available, depending on the Revenue limits. Details will be available at your retirement.

The amount of tax free lump sum available to you from the Scheme will be calculated for you before you retire and you will have the opportunity to select the appropriate amount at that time. This decision must be made before the date on which you retire.

When is the tax free cash sum paid?

The tax free cash sum is normally paid shortly after you retire.

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ARFs and AMRFs

What are Approved Retirement Funds?

Approved Retirement Funds (ARFs) are simply funds operated by a Qualifying Fund Manager (QFM) for retired persons.

It invests your retirement account in funds that you choose on retirement. The fund belongs to you and you can use it to provide yourself with a tailored regular or irregular income in retirement.

QFMs will include many of the financial institutions operating in Ireland, such as insurance companies, banks and building societies. You decide on the ARF provider to use.

What are the conditions for investing in an ARF?

You may invest your Defined Contribution (DC) account (remaining after taking any tax free lump sum entitlement) in your choice of ARF investment as long as your minimum guaranteed income in retirement or your total personal pension (State Benefit plus any Scheme Pension) is 1.5 times the current State Pension which is approximately €18,000 per annum.

If you do not have a guaranteed income of at least €18,000 per annum and you wish to transfer your DC account to an ARF, you must:

- set aside 10 times the State Pension currently (10 x €11,975.60) totalling €119,756 in a special type investment fund called an Approved Minimum Retirement Fund (AMRF). (The above will be revised in line with movements in the State Pension).

An AMRF may be transferred to an annuity at any time.

Any balance remaining in your DC fund may then be transferred to an ARF.

The guaranteed income requirement, if not met at the time of retirement, may be satisfied at any time during retirement, at which point the AMRF becomes an ARF.

What is the difference between an ARF and an AMRF?

Under an ARF, withdrawals are under your control and money can be withdrawn at any time, subject to the terms offered by the Qualifying Fund Manager (QFM) - there are no statutory restrictions.

An AMRF is identical to an ARF except that the €119,756 capital in an AMRF must be held until age 75. You cannot withdraw from your AMRF until you reach age 75 – only the income it generates can be withdrawn in the meantime. On reaching 75 the AMRF becomes an ARF.

Where are ARFs and AMRFs invested?

The choice of investment within an ARF and AMRF may include managed funds, equity funds, property funds, cash funds, etc in various combinations, depending on what is offered by the QFM.

Investment returns depend on the performance of these funds and depending on which fund(s) you invest in, its value can fall as well as rise over the period of your investment. You decide on the appropriate investment fund(s) to suit your needs having taken suitable financial advice.

How are ARFs and AMRFs taxed?

Income and gains made by an ARF/AMRF will be exempt from tax for a period of time after retirement as long as they are held within that fund.

Withdrawals will be subject to a deduction of income tax under the PAYE system by the QFM. This will be at the higher rate of tax, unless you can provide the QFM with a tax-free allowance certificate or a tax deduction card.

Deemed Distributions on an ARF (does not apply to AMRFs)

Tax is payable on deemed distributions from an ARF. This means that if you do not take a withdrawal, a tax charge will nevertheless be made to your policy based on a notional withdrawal or 'deemed distribution' amount. The deemed distribution is 5% of the accumulated value of your ARF assets at 31 December each year. Actual withdrawals made by you will be creditable against the deemed distribution charge. The QFM has responsibility for the discharge of all obligations in relation to tax due on all distributions. AMRFs are not subject to deemed distributions.

Potential Charges

The charges which could apply to your ARF and AMRF include the following:

Allocation Rate – The amount of your premium invested in the fund of your choice e.g. an allocation rate of 99.5% means that €99.50 of a €100 premium would be invested and €0.50 would be taken as a charge.

- Annual Fund Management Charge
- Annual Renewal Charges
- Early Transfer Charges
- Regular Income Charge
- Partial Encashments

Your financial advisor will advise you on what charges apply to your choice of ARF/AMRF.

Inheritance Planning

The ARF/AMRF can be passed on to your beneficiaries on your death (subject to normal inheritance tax rules).

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Payment of benefits

When does my pension commence?

If you select to purchase a pension with a portion or all of your Retirement Savings Account (rather than pursue an ARF or AMRF route) that pension will effectively commence on the day you retire.

How will my pension be paid?

Pensions are normally paid by monthly instalments and payments may be made directly to your bank or other designated financial institution.

You will be advised of the amount of your pension when considering the benefit options on retirement. After the first payment of pension an advice slip will be sent by the pension payer monthly.

Tax and other statutory amounts will be deducted from your pension under normal PAYE procedure by the annuity provider e.g. Irish Life.

Do pensions increase in payment?

This will depend upon the benefit options you decided upon when you purchased the pension.

What if I am separated or divorced?

If you are legally separated or divorced the Courts may have decided on the proportion of pension and death benefits payable to the various parties and may have issued a Pension Adjustment Order directing the Trustees to deal with the benefits in accordance with that decision. The Trustees will be bound to observe the terms of any such order.

You can receive further information about Pension Adjustment Orders by contacting the Pensions Board.

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Death in service

What benefits are paid if I die in service?

All eligible (see page 7 – Membership) employees, over age 18 and under age 65, are eligible to receive lump sum life assurance benefits. Cover is provided from the date of joining employment. However, no additional benefits would be available from the Retirement Savings Account (see below) unless the employee was a contributory member of the Scheme.

These benefits can be taken as a lump sum, or, if the lump sum would otherwise exceed Revenue limits (see below), a pension will be purchased for your spouse and children or dependants from the residual funds available.

Who is this lump sum paid to?

The Trustees have discretion to pay the lump sum to any one or more of your Dependants including spouse, children, certain relatives, your personal representatives or to a person nominated by you.

Subject to the statutory provisions of any Court Orders the Trustees will, wherever appropriate, follow the wishes of a deceased member, as detailed in the Expression of Wishes Form.

How much is the lump sum?

The benefit is an amount equal to twice the amount of your Salary (see definition on page 5) at the previous 1 January, or later date of joining the Scheme.

In addition the value of your Retirement Savings Account, including any AVCs, is also payable.

How much can be taken in cash form?

The Revenue Commissioners allow up to four times your Salary at date of death plus the value of your personal contributions to the Scheme to be taken in lump sum form.

How is any remaining balance paid?

Any balance of the lump sum, typically arising from any employer based contributions in the Retirement Savings Account, will be used by the Trustees to provide pensions for your spouse and children or dependants.

How can I make my wishes known?

You are advised to complete the *Expression of Wishes Form* (Appendix III) when you join Cheshire Ireland, and to update it as needed. While the Trustees will be guided by your wishes, they cannot be legally bound by them. In particular, any Pension Adjustment Orders will take precedence over your wishes as expressed to the Trustees or as expressed in your Will.

What if I am separated or divorced?

If you are legally separated or divorced the Courts may have issued a Pension Adjustment Order to give effect to a decision on the proportion of pension and death benefits payable to the various parties. Further information on Pension Adjustment Orders is available from the Pensions Board.

Cheshire Ireland Retirement Savings
& Life Insurance Scheme
Member's booklet
Leaving employment

What benefits are available if I leave Cheshire Ireland's employment?

The benefits available on leaving employment depend on the period of employment you have completed.

If you have less than 2 years Qualifying Service

If you have not completed 2 years Qualifying Service (see definition on page 6) when you leave you will automatically receive a refund of the value of your personal contributions (normal employee contributions and any AVCs), less taxation which is currently 20%.

If you have completed 2 years or more Qualifying Service

- I. You will be entitled to a preserved benefit, payable from your Normal Pension Date. The preserved pension is based on the value of your Retirement Savings Account including any transfer value received.
- II. Alternatively, you can transfer the value of the Retirement Savings Account to a new employer's scheme or to a personal retirement bond.

Please note that under the terms of the 1990 Pensions Act a refund of the value of the member's normal contributions and AVCs is provided to members, on leaving only, who have completed less than 2 years Qualifying Service. Thereafter the benefit is compulsorily preserved under the 1990 Pensions Act.

If you joined the Scheme prior to 1 May 2011, and leave with less than 2 years Qualifying Service, you retain the right to a full preserved fund, at your discretion.

What happens if I die whilst entitled to deferred benefits?

If you die before Normal Pension Date whilst entitled to deferred benefits, the value of your Retirement Savings Account will be paid at the Trustees discretion to your personal representatives, or to your Dependant(s), subject to the Pensions Act requirements.

If your death occurs after Normal Pension Date but before benefits have been paid, the Trustees will provide the benefits that would have been payable had you retired before your death.

Action you should take

To join the Scheme	<p>Complete the Membership Application Form and Expression of Wishes Form.</p> <p>You must specify your investment fund choice(s).</p> <p>Return the completed Forms to your Services Manager with proof of age and marriage.</p>
On marriage	<p>Review your Expression of Wish Form.</p>
On separation or divorce	<p>Advise Cheshire Ireland.</p> <p>Supply details of any Pension Adjustment Order to Cheshire Ireland.</p> <p>Review your Expression of Wish Form.</p>
On leaving employment	<p>Obtain details of your benefit options from Towers Watson.</p> <p>Confirm your chosen option to Towers Watson.</p> <p>Advise Cheshire Ireland of any future change in your address.</p>
On retirement	<p>Obtain details of your benefit options from Towers Watson.</p> <p>Confirm the option of your choice to Towers Watson.</p> <p>Advise Cheshire Ireland of any future change in your address or your bank account number (where payment is made directly to your account).</p> <p>Supply PAYE and USC details to Cheshire Ireland.</p>
On death	<p>Your dependants or personal legal representatives should notify Cheshire Ireland of your death and subsequently supply a copy of your birth certificate, any marriage certificate, any Pension Adjustment Orders and the death certificate to Cheshire Ireland.</p>

Cheshire Ireland Retirement Savings
& Life Insurance Scheme
Member's booklet
How the Scheme is run

The Scheme commenced on 1 July 1999 and is set up as a trust. The Scheme's investments are separate from those of Cheshire Ireland and may only be used to provide benefits for the members. The Scheme is designed to ensure that, at all times, it qualifies as an exempt approved pension scheme under Chapter I of Part 30 of the Taxes Consolidation Act 1997.

The rules of the Scheme were amended, effective from 1 September 2006, to lower the age of admission from 21 years to 18 years of age, and all eligible employees are automatically provided with death in service benefits from the date of joining employment.

The benefits changed on 1 May 2011 for new entrants post this date. The Scheme altered to voluntary membership, the definition of salary was changed and the strict statutory provisions on preservation in the event of leaving employment within 24 months were applied.

The Trustees are assisted in carrying out their responsibilities to the members and Cheshire Ireland by independent professional advisers including actuaries, auditors and investment managers. Further details on the Trustees and advisers are set out on the following page.

The Scheme is a defined contribution scheme. The lump sum death in service benefit is insured and benefits available on death in service are therefore subject to you satisfying the Insurance Company with regard to your health, attendance-at-work and any other requirements. You will be advised if any restrictions apply to your benefits as a result. All other benefits are based upon the value of your Retirement Savings Account.

Accounts are audited annually and the Scheme's investments are managed by professional investment managers.

Benefits from the Scheme cannot be assigned or charged by Members (e.g. they cannot be given as security for a loan). Any attempt to do so could mean that you lose them.

The Trustees operate a formal dispute resolution procedure to deal with complaints or disputes arising in relation to the Scheme. A copy of this procedure is available to you on request. Complaints or disputes should be referred to the Chief Executive Officer in the first instance. If the internal dispute resolution procedure does not resolve the matter, it may be referred to the Pensions Ombudsman for adjudication.

The Scheme is registered with the Pensions Board.

Trustees and advisers

Trustees
Acumen and Trustee Pension Trustees Limited
4 & 5 The Avenue
Beacon Court
Sandyford
Dublin 18

Maggie Thomas
Block 4
Bracken Business Park
Bracken Road
Sandyford
Co Dublin

Consultants
Towers Watson Ireland Limited
65-66 Lower Mount Street
Dublin 2

Administrator
Irish Life Assurance plc
Lower Abbey Street
Dublin 1

Investment Manager
Irish Life Assurance plc
Lower Abbey Street
Dublin 1

Insurer
Irish Life Assurance plc
Lower Abbey Street
Dublin 1

Bankers
Bank of Ireland
Lower Baggot Street
Dublin 2

Further information

In general, if you need to find out more about the Scheme, please contact the Cheshire Ireland Scheme Administrator in the first instance, who can be contacted at the following address:

Cheshire Ireland
Block 4
Bracken Business Park
Bracken Road
Sandyford
Co Dublin

☎ 01 2974100

Pension Adjustment Orders

Where members are legally separated or divorced the Courts may have decided on the proportion of pension and death benefits payable to the various parties. The benefits under the Scheme are subject to the statutory provisions of any Court Orders and residual benefits will be processed under the normal terms and conditions of the Scheme.

Further information on Pension Adjustment Orders and on pensions generally is available from the Pensions Board at the following address:

The Pensions Board
Verschoyle House
28/30 Lower Mount Street
Dublin 2

Tel: 01 6131900
Fax: 01 6318602

Website: www.pensionsboard.ie

Cheshire Ireland Retirement Savings & Life Insurance Scheme
Membership Application Form



Please use this form to join the Scheme.

1. Personal details

PLEASE USE BLOCK CAPITALS

Full name:

Home address :

Email Address:

PPS number:

Employee number:

Date of birth:

Sex:

Basic Salary:

Date of entry into Employment:

Date of entry into the Scheme:

2. Other pension benefits

Please provide details of any other pension scheme(s) including occupational pension schemes, personal pension schemes and retirement annuity contract(s) from which you will benefit in the future.

1. Name of Scheme: Membership/Policy number (if applicable):

Name of Pension Provider:

2. Name of Scheme: Membership/Policy number (if applicable):

Name of Pension Provider:

3. Name of Scheme: Membership/Policy number (if applicable):

Name of Pension Provider:

3(a) Fund choice

Use this section to allocate your new contribution to the fund choices available

Do NOT complete this section if you complete Section 3 (b) below.

	Future fund choice
Name of Fund - Irish Life	Enter the percentage of your existing assets to be reallocated to each of the available funds
Consensus Managed Fund	
Indexed Global Equity Fund	
Capital Protection Fund	
Fixed Interest Fund	
Diversified Balanced Fund	
Cash Fund	
Total: (Must be 100%)	

3(b) Fund Choice

This section should be completed ONLY if you wish to use the Individual Investment Service.

I require that my core contributions /AVC & Retirement Savings Account (fund) uses the Irish Life **Individual Investment Service** as soon as it is appropriate when I reach age 60 (5 years before Normal Pension Date):

Tick box to confirm:

In the interim, please invest all funds, including existing assets and future contributions in:

The Consensus Lifestyle Fund Default fund

The Exempt Cash Fund *Tick one box only*

Declaration:

I hereby declare that the details given here are true. I wish to join the Scheme, and I agree to be bound by the rules and I authorise the deduction of 5% from my Salary.

Signature:	Date:
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AVC Application Form



Please use this form to join the Scheme for AVC purposes, and to inform the Trustees / Cheshire Ireland of your intention to pay AVCs or change your existing arrangements. You should read the Scheme booklet before completing this form.

1. Personal details

PLEASE USE BLOCK CAPITALS

Full name:

Home address :

Email Address:

PPS number:

Employee number:

Date of birth:

Sex:

Basic Salary:

Date of entry into Employment:

Date of entry into the Scheme:

2. Payment of AVCs

I wish to pay AVCs of _____ % of basic Salary with effect from _____

I wish to pay AVCs of € _____ per month with effect from _____

I wish to pay an AVC amount of € _____ as a lump sum deducted from the month of _____

This instruction cancels any previously submitted.

Your AVCs will be invested in the same funds that your core contributions are currently being invested in.

You will need to complete an Investment Choice form to change how your future AVCs (and core contributions) are invested.

I authorise Cheshire Ireland to deduct the AVCs detailed on this form from my Salary and to pay those contributions on my behalf as detailed.

Signature:

Date:

Please return this form to Payroll.

Expression of Wishes Form



Personal details

PLEASE COMPLETE THIS SECTION FULLY, USING BLOCK CAPITALS.

Full name: (Block capitals)	Date of Birth:
Address:	

In the event of my death, I wish the Trustees to exercise their discretion under the Scheme Rules so that any LUMP SUM BENEFIT will be applied for the benefit of the person(s) named below. I understand that my wishes may be revoked or revised by me at any time.

I appreciate that I cannot fetter the manner in which the Trustees can exercise their discretion and I also appreciate that there may be legal or statutory limitations preventing the Trustees from taking account of my wishes.

	Name	Relationship	Proportion of Benefit
1			
2			
3			
4			

Signed _____ Date _____

(usual signature)

Please return this form to the Trustees. If you would like an acknowledgement of having received this form, please provide the address to which it should be sent.

Investment Choice Form



This form is used to change how (A) your existing core Fund(s) / AVC Fund and/or (B) your future core contributions /AVC contributions are invested.

Fill out your personal details and complete EITHER Section 1 OR Section 2. Use Section 2 for default and Lifestyle selections. Then read and sign the declaration and return the form to Watson Wyatt at the address shown overleaf.

Personal details

PLEASE COMPLETE THIS SECTION FULLY, USING BLOCK CAPITALS.

Full name:	
Address:	
Email Address:	Location:
Date of Birth:	PPS number:

Section 1 – Fund choice

Use this section to reallocate existing funds (Column A), redirect future contributions (Column B), or both (both columns).

Do NOT complete this section if you complete Section 2 below.

	Column A	Column B
Existing Fund Only	A	B
Future Contributions Only		
Name of Fund - Irish Life	Enter the percentage of your existing assets to be reallocated to each of the available funds. Do NOT enter any % if the existing fund is to remain unaltered	Enter the percentage of your future contributions to be allocated to each of the available funds. This column does NOT alter the Existing Fund allocation
Consensus Managed Fund #		
Indexed Global Equity Fund		
Secured Performance Fund *		
Cash Fund		
Diversified Balance Fund		
Capital Protection Fund		
Fixed Interest Fund		
Total: (Must be 100%)		

If you wish to use the Lifestyle version of this Consensus fund then complete Section 2 overleaf.

Section 2 – Individual investment service

This section should be completed only if you wish to use the individual investment service.

Please invest all funds, including existing assets and future contributions in:

- The Consensus Lifestyle Managed Fund (Default fund)
- The Secured Performance Fund *
- The Exempt Cash Fund *Tick one box only*

* The Secured Performance Fund is **NOT** available to future contributions post 1 January 2010

Declaration: I hereby instruct the Trustees to alter the funds into which my future contributions and current assets are invested, in accordance with the instructions given above and I understand that this instruction will be processed as soon as practicable after Irish Life receive this form

Signature

Date

Notes

- This instruction alters the funds into which your future contributions and current assets are invested if so instructed.
- Your instructions will be applied as soon as possible after processing has occurred.
- The value of investments can go down as well as up.
- There is no guarantee on the future rate of return of any investment option available under the Scheme.
- If you are in any doubt regarding your investment instruction then you should seek independent financial advice.
- The Secured Performance Fund is NOT available to new entrants post 1 March 2009 nor can disproportionately higher contributions be increased nor lump sums for existing investors.

You must promptly forward this Form for processing to Towers Watson at Sandyford Business Centre, Burtonhall Road, Sandyford, Dublin 18.

Office Use only

Received by Towers Watson:	Default: Yes / No	Instructions sent to Irish Life:
Contributions switch: Yes / No	Fund switch: Yes / No	IIS / Con Lifestyle elected: Yes / No

Declination / Opt-out Form



Please use this form if you wish to notify the Trustees of the Cheshire Ireland Retirement Savings and Life Insurance Scheme and Cheshire Ireland of your decision to decline membership / opt-out as a member of the defined contribution Scheme. This form should be returned to your local Service Manager. Please refer to the notes overleaf before completing the form.

1. Personal details

PLEASE USE BLOCK CAPITALS

Full name:		
Home address :		
Email address:	Date of Birth:	
PPS number:	Employee number:	Location:
Date of entry into employment:		

2. Intention to decline membership / opt out

I confirm that:

A. I have been offered membership and I decline to join the Scheme:

or

B. I wish to opt out of the defined contribution Scheme with effect from midnight on _____

(The date given for the cessation of membership must be the last day of a calendar month. Notice must be given before the end of the preceding calendar month.)

I understand the consequences of this action as summarised overleaf. I also understand that it is only possible to rejoin the defined contribution Scheme with the Cheshire's consent, on the Scheme's terms. I understand that the life insurance benefit will continue to be provided.

I also confirm that: (Please tick as appropriate)

I am not married and have no financial dependants

I am not married and have informed any adult dependants of my intention to cease membership. I have outlined the consequences detailed overleaf.

I am married and have informed my spouse of my intention to cease membership. I have outlined the consequences detailed overleaf.

Please ensure that you take financial advice in advance of proceeding with any decision to opt-out.

Signature:	Date:
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Notes

You should be aware that if you decline membership or opt-out of the defined contribution Scheme, you will become a Life Insurance Only member.

By opting out of the defined contribution Scheme, you will miss out on the following:

- The benefit of the Cheshire's pension contributions - Cheshire will not contribute to a personal pension or PRSA arrangement.
- The provision of financial security as afforded by both your and Cheshire's contributions.

Office use only

I confirm that Payroll has been informed of this decision. As a result, it will:

- Cease to deduct contributions (including any Additional Voluntary Contributions) with effect from the date noted on this form

Signed on behalf of Cheshire by an authorised signatory:

Signature:

Position: (Service Manager)

Location:

Date: